Advertising Age®

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Soft drink group wary

Delay sought on aspartame

By NANCY GIGES and ROBERT REED

The National Soft Drink Assn. is expected this week to ask the Food & Drug Administration to delay its approval of the sweetener aspartame for use within carbonated beverages.

Industry sources report that NSDA will send a letter to the FDA requesting a stay of the regulatory agency's recently announced approval (AA, July 4).

The action underscores the ongoing concern major soft-drink companies have about the new sweetener and suggests it will be a while before it is incorporated into product lines, say industry executives.

Delaying approval will directly affect Skokie, Ill.-based G.D. Searle & Co., which holds the exclusive patent on aspartame and on aspartame mixtures with the current ingredient in diet sodas, saccharin.

NSDA officials said last week no letter was being prepared and that at that time no further action was being considered, according to a spokesman.

But Robert Shapiro, president of Searle's NutraSweet group, said his company expects the NSDA to ask for a delay. Mr.

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A tempting try

Clorox pours Hidden Valley Ranch into the bottled-dressing business in test markets (AA, June 20). Young & Rubicam handles.

FTC to court: Stop B&W ads

By RICHARD L. GORDON

WASHINGTON—After two years of indecisive legal jousting, Brown & Williamson Tobacco's fight to keep Barclay's 1mg ultralow-tar rating in its ad battle for market share has been dumped in the lap of U.S. district court Judge Gerhard Gesell.

Bypassing time-consuming administrative law routines, the Federal Trade Commission last week asked Judge Gesell for a preliminary injunction which, if granted, would put an immediate stop to the 1mg tar, "99% tar free" advertising claims.

That has been the key selling point in Barclay's rise since 1980 as a major contender in the ultralow-tar cigaret category.

In a parallel action, FTC asked the six cigaret companies for advice on improved testing procedures that would more accurately measure tar delivery by B&W's unique Actron filter, which is used on Barclay and on the company's Kool Ultra brand.

Its decision to go directly to Judge Gesell was influenced, in part, by conflict-of-interest issues which would be created if it were judging Barclay's ads while also functioning in its legislative role to

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last minute news

'Hard-working' spots breaking for RC Cola

ROLLING MEADOWS, ILL.—Royal Crown Cola Co. is breaking a new campaign in 25 markets this week for its RC Cola. Two 30-second spots carry the theme, "Nothing really gets to you like RC Cola can." Each spot features five vignettes of hard-working people who after work refresh with an RC Cola. RC is positioning the cola away from the "idealized" people who appear in the Coke and Pepsi campaigns, the company told distributors. DFS, New York, handles.

AT&T may have to give up Bell trademark

WASHINGTON—AT&T got the grim news July 8 that approval of its mammoth divestiture plan hangs on, among other things, its willingness to give up the Bell name, trademark and logo. The company has invested millions of dollars this year in promoting newly formed American Bell. Federal Judge Harold Green is demanding surrender of the Bell name to the 22 local telephone companies to be spun off Jan. 1. Competitors in the equipment field contend AT&T's continued use of the trademark gives American Bell a competitive advantage. Judge Green specified that AT&T could use Bell during the first half of 1984, but only if it quickly selects a new name and has a "substantial" effort under way to promote it to the public

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PM's Morgan heads to Atari

SUNNYVALE, CAL.—Warner Communications has reached out for an executive with savvy in mass marketing to direct its troubled Atari electronics subsidiary.

James J. Morgan, the 41-year-old exec vp-marketing of New York-based Philip Morris USA since 1978, has been named chairman-chief executive officer of Atari. Beginning Sept. 6, he will direct a troika of seasoned electronics executives who were installed as division chiefs as part of a recent reorganization (AA, June 6).

Mr. Morgan's appointment is another case of East Coast marketing talent being lured to Silicon Valley. Apple C nputer wooed John Sculley, Pep Cola Co. president, to be its president-chief executive officer in May. Atari has been hiring East Coast marketing executives for key posts for some time, including Theodore Voss and Peter Wensberg, two top Polaroid marketing executives.

The electronics companies are turning to experienced mass-marketing talent as they find their traditional sales posture, touting product sophistication and technological sophistication, falling flat. Packaging and national advertising are now playing a crucial role.

Mr. Morgan succeeds Raymond Kassar, who resigned and will be a consultant. Mr. Kassar was praised in a statement by Warner chairman Steven Ross for his role in Atari's phenomenal growth.

However, Mr. Kassar's departure from the chairmanship has been expected, after Warner cut its earnings forecasts in half in December primarily because of sharp reversals at Atari. The Securities & Exchange Commission is known to be investigating Mr. Kassar's sale of a large block of Warner stock shortly before the December announcement.

Mr. Morgan, a 20-year veteran

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'News' works miracle on 42nd Street

"At this time last year, we had losses of $17 million. Now we are in the black and will be so when the year ends."

— Robert Hunt, publisher, New York Daily News

By STUART EMMRICH

NEW YORK—A year and a half ago, Chicago's Tribune Co. looked at its *New York Daily News* and saw a newspaper on the skids. It lost $12.6 million in 1981, was projected to lose as much as $30 million in 1982 and was facing years of red ink.

Things looked so unpromising that, instead of agreeing to a $60 million revitalization plan proposed by *Daily News* management, the parent company decided to sell the paper. There followed the now well-documented five months of bumpy negotiations, shuttling from one potential buyer to another, uncertainty about the paper's future and then—surprisingly—the decision by Tribune Co. to keep the paper after all.

Now, nearly a year after that stunning switch and six months after *News* management was allowed to put its own rescue plan into operation, advertising is up, circulation is rising, costs have been slashed, and the *Daily News* is—believe it or not—making a profit.

No longer are people talking about the imminent death of the country's largest daily newspaper. There are those in this town who are calling it, instead, "the miracle on 42nd Street."

Executives at the paper, while less prone to hyperbole, are enthusiastic. "We are on target, with revenues exceeding our plan for 1983," says publisher Robert Hunt. "At this time last year, we had losses of $17 million. Now we are in the black and will be so when the year ends. That is a fine turnaround." Last year the paper had $314 million in revenues, a figure that analysts say could increase by 10% to 15% this year.

Mr. Hunt and other *News* execs won't disclose how large a profit they expect in 1983, but knowledgeable sources say it's possible that

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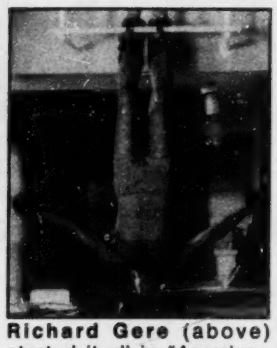
December, 1981, headline (top) was followed in May, 1982, by "We're here to stay." The paper's turnaround indicates it is.



Richard Gere (above) started it all in "American Gigolo." Ad is for Gravity Guidance's product line.

If you can read this, you're into inversion

By JENNIFER PENDLETON

PASADENA, CAL.—There's a company in this town where the sight of employes hanging upside down from the ceiling is as common as workers punching a time clock.

The company is Gravity Guidance Inc., a sporting goods marketer whose main product is a pair of metal boots that enable their wearers to hang topsy-turvy from a bar.

Here, factory workers often spend their breaks putting the company's merchandise to use, as do most Gravity Guidance executives. While daily hanging isn't a prerequisite for employment, company president Bryce Martin admits, "I wouldn't hire someone who didn't believe in it." Says the company's marketing/communications coordinator Paula Johnson: "If you're hired, you hang."

The zeal with which Gravity Guidance employes believe in "inversion exercise" is apparently spilling over to the general population. Since the company began mass-marketing "gravity" or "inversion" boots in 1979, it has sold 400,000 pairs of these unusual ankle holders they're currently selling at a 25,000 pairs-a-month rate. Company sales have jumped from less than $125,000 in 1979 to an anticipated level of $30 million-plus this year.

The boots are selling at major sporting goods retailers, such as Oshman's, and mass retailers, such as Sears, Roebuck & Co., J.C. Penney Co. and Montgomery Ward & Co.

Still, Gravity Guidance is a small sporting goods marketer with big ambitions. At present, it is taking steps to build a position as a force in the sporting goods industry, concentrating on developing new inversion-exercise products (it markets other inversion-exercise

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Exxon, Shell join testing of card-activated pumps

HOUSTON—Exxon Co. USA will begin an automatic bank teller access-card test program at 10 of its company-owned stations here this month, a move believed to be the first of its kind by a major gasoline company.

While a group of Shell Oil dealers in San Francisco six months ago began a bank debit-card test program with Wells Fargo Bank at approximately 25 Shell stations in the Bay Area, and a second group of Shell dealers in Cleveland began a similar test last month with AmeriTrust at 20 area stations, neither bank-card test is company-sponsored, according to a Shell Oil spokesperson.

However, Shell will begin a credit card-activated pump test this month at 10 of its Houston stations, the spokesperson said. And an industry source said the test will later be expanded to include both cash-activated and bank debit card machines.

At least three other gasoline marketers, Derby Refining, Mobil Oil and Texaco, are testing credit card-activated units (AA, Nov. 15), and Arco is testing ones that are cash-activated (AA, April 14).

The Exxon ATM terminals will honor First City Teller 2 and First City Net debit cards issued by First City National Bank of Houston.

To execute a transaction, an Exxon customer will insert a bank card into the terminal, punch in his personal identification number, the pump number, the grade of gas desired and then pump the gas. The dollar amount of the purchase will be electronically sent to the customer's bank, which will charge the customer's checking account. A printout receipt will be provided, and the transaction will be recorded on the customer's checking account.

Bank-card terminals will be located at Exxon's self-serve islands and inside the stations. The bank cards may be used as payment for all products and services available at Exxon stations.

Exxon considers bank-card transactions cash payments, and therefore will offer bank-card users the company's current program of "discount for cash," which provides cash-paying customers a discount of 4¢ per gallon at most stations.

Exxon will promote the test with direct mailings to cardholders living near test stations and with p.o.p.#

Red wine enters four test markets

Blue Nun flirts with *rouge*

By GAY JERVEY

NEW YORK—Having brought back the Stiller & Meara radio commercials for Blue Nun white wine, Schieffelin & Co. is now introducing Blue Nun red wine.

It also will be hawked by the comedy duo.

Made from French grapes but packaged in Alsey, West Germany, the red wine initially will be tested in North Carolina, Oregon, Tampa/St. Petersburg and Rochester/Buffalo, N.Y.

Sources say it represents one of the more critical new-product introductions in recent Schieffelin history—one that has been mulled for some time.

The new wine will come in two sizes: 750 ml and 1.5-liter bottles priced at $3.99 and $4.99, respectively. Through December, the test initially will involve some 20,000 cases; shipments reportedly could reach 200,000 cases in the test areas next year.

Schieffelin said that if all goes well the company will roll nationally by the end of next year. "We want about a year to watch it," said Schieffelin senior vp Frank Dandrea.

Although Mr. Dandrea would not comment on the new red's ad budget, some wine and spirits distributors have been told the company will be spending at an annual national rate of $6 million, mostly involving spot radio and p.o.p. displays. "They're not going to use tv, at least not now," said one Orlando, Fla., distributor, "and I think it's a mistake."

Schieffelin reportedly is spending $4 million in radio in 1983 for *both* Blue Nun white and red. Jerry Stiller and Anne Meara, the comedy team who made Blue Nun a household name as the easy-to-pronounce—therefore approachable—white wine, will be heard in red, white and generic "Blue" ads.

With the theme, "Just as right as Blue Nun white," radio spots for the new product stress that whether served chilled or at room temperature, "It's always correct."

Most distributors seem excited about the product's potential among regular Blue Nun imbibers

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highlights

Monday, July 11, 1983

The planned merger of Warner Communications' record operations and Europe's PolyGram could change the face of the $3 billion U.S. recording industry. *See Page 6.*

The Federal Trade Commission is considering concentrating the regulation of drug ads in one place, rather than splitting it with the Foo & Drug Administration, as prescription drug marketers begin moving into consumer media. *See Page 10.*

Del Monte's petition for relief from an order requiring fruit juice per cent rates to be displayed on its Hawaiian Punch labels has been rejected by the Federal Trade Commission. *See Page 10.*

Marschalk Co.'s acquisition of Houston's Metzdorf Advertising is the start of an expansion program that may put the $225 million Interpublic unit into Midwest and West Coast markets. *See Page 12.*

Ladies' Home Journal, after 100 years of publishing, is strong and healthy and finding a formerly disaffected audience returning to the magazine. *See Page 14.*

A Sanyo ad for videocassette recorders has been judged the most sexist ad of 1983 as the Quebec Council on the Status of Women gives out its annual "Demeritas" awards. *See Page 20.*

Chilton Co.'s appointment of Lawrence A. Fornasieri as president is seen as an attempt to dispel doubts about the company's future, which have been fueled by recent moves that have reduced its revenue and employment. *See Page 20.*

Jeno's subsidiary Northland Foods is expanding Colombo's frozen pizza as it and other marketers try to fight swelling store-door delivered pizza sales. They are positioning new products against pizzeria pizza. *See Page 24.*

Procter & Gamble's Always feminine hygiene products are doing well in test, despite the enormous amount of competitive activity sparked by the company's reentry into the market. *See Page 29.*

A Magdol & McCone Marketing survey has found that financial institutions should start bringing in people with a marketing background to help sell their products. *See Page 29.*

Ogilvy & Mather, in an assessment of the future of tv and other video, has found a number of potential advertising opportunities arising in the pan-European market. *See Page 61.*

Gaylord Broadcasting, which will purchase the Opryland properties from American General, said it will retain current management staffs. *See Page 60.*

CORPORATE CLOSEUP

Adolph Coors Co. is making progress in its move toward becoming a national beer marketer by expanding eastward into new territory despite a steady sales decline within its western base. *See Page 4.*

VIDEOTECH

The first-run continuation of "Fame" next season is giving major network tv advertisers a good reason to shift more of their ad dollars into the syndication market as a hedge against increasing network ad rates. *See Page 62.*

MAGAZINE

Canada's Cockfield Brown may become a textbook example of how to kill a large, respected and successful ad agency. *See Page M-4.*

Radio: The new satellite technology changes the way radio is sent, but programing and personalities still lure marketers and listeners. *See Page M-9.*

A correspondent in Italy reveals that the Left has begun to dispel the notion that advertising is an essential arm of the capitalist conspiracy. *See Page M-34.*

Special-effect cover graphic by Pallas Photo, Chicago.

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Miller ad results in 'CR' suit

NEW YORK—Consumers Union, publisher of *Consumer Reports*, is proceeding with a lawsuit against Miller Brewing Co., charging the Milwaukee-based brewer with false and misleading advertising.

At issue is an ad highlighting the results of an article on beer appearing in the magazine (AA, July 4).

The two sides met last Thursday to exchange "views," but nothing was said during the meeting to merit stopping the court action, according to representatives of both sides.

Consumers Union had filed suit a few days earlier in New York federal court, asking for compensatory damages of $1 million, punitive damages of at least $1 million and court costs.

The publisher's objections stem from Miller's printing of a Miller High Life ad that referred to the July issue of *Consumer Reports* that contained a cover story on beers. One feature listed Miller High Life at the top of a list of "very good" tasting beers.

The article ranked various brands of beer in order of what was called their "estimated overall sensory quality." They were ranked in three groups: Very good,

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